

Ministry of Energy

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We have made tangible progress and we have achieved the following key results:

- On January 1, 2015, Ontario launched its new six-year Conservation First Framework. The framework, together with the Industrial Accelerator Program for transmission-connected customers, is expected to achieve 8.7 terawatt-hours (TWh) of electricity savings in 2020, and help achieve our conservation target of 30 TWh in 2032.
- On December 22, 2014, Ontario launched its new six-year Demand Side Management Framework, which brings Ontario's total spending on natural gas conservation programs in-line with leading US jurisdictions, allowing natural gas utilities to pursue greater levels of natural gas savings.
- Since January 1, 2016, the Ontario Electricity Support Program has been providing ongoing assistance directly on the bills of eligible low-income electricity consumers.
- Expanded the Industrial Conservation Initiative effective July 2015, lowering the threshold from five megawatts (MW) to three MW for electricity consumers in certain energy intensive sectors.
- Introduced a new competitive Large Renewable Procurement (LRP) process for renewable projects larger than 500 kilowatts that strikes a balance between early community engagement and achieving value for ratepayers. With approximately 15,900 MW of wind, solar, bioenergy and hydroelectric energy online, and an additional 454.9 MW contracted, Ontario is positioned to meet the 2013 LTEP target of having 20,000 MW of renewable energy online by 2025.
- Enabled the participation of First Nation and Métis communities and groups in over 550 different renewable projects across the province, representing over 1,800 MW of clean energy capacity.
- Passed new legislation, the *Energy Statute Law Amendment Act, 2015*, that establishes a long-term energy planning framework that is efficient, supported by community engagement and responds to emerging technologies in the energy sector.
- Passed the *Strengthening Consumer Protection and Electricity System Oversight Act, 2015* that enhances the Ontario Energy Board's role to ensure that it continues to protect consumers and regulate the energy sector.
- Passed a number of tools under the authority of these two new pieces of legislation that will allow the grid connection of remote communities project to move forward in a timely manner, with significant First Nation participation.

Your mandate is to promote the development of a safe, reliable, secure and environmentally sustainable energy supply. Your specific priorities include:

Developing the Province's Next Long-Term Energy Plan

- Building on the processes and principles used in the 2010 and 2013 plans and the new legislation, work with partner ministries and energy sector agencies to consult with consumers and stakeholders, and engage with Indigenous communities to develop Ontario's next Long-Term Energy Plan (LTEP) to be released in 2017.
- Working with partner ministries, align the next LTEP with Ontario's Climate Change Action Plan. The LTEP will be guided by a number of strategic themes including greenhouse gas reductions, innovation, grid modernization, conservation and energy efficiency, renewable energy, distributed energy and continued focus on energy affordability for homes and businesses.
- Ontario will work towards our long-term electricity conservation target of 30 TWh in 2032 and continue to identify new conservation opportunities. Ensuring the LTEP supports the development of regional and community energy plans.

Promoting Energy Conservation and the Adoption of Renewable Energy

- Working with the IESO to provide a mid-term review of Ontario's six-year Conservation First Framework in fall 2016.
- Working with local distribution companies and natural gas utilities to offer more choice for customers and help customers reduce their energy use.
- Continuing to show leadership in setting and updating energy efficiency standards.
- Working with the Independent Electricity System Operator (IESO) to complete a second phase of the competitive Large Renewable Procurement process to procure up to 980 megawatts (MW) of renewable energy from solar, wind, hydroelectric and bioenergy sources, following engagement with stakeholders, municipalities and Indigenous communities.
- Working with the IESO on procurement of small renewable energy projects under the Feed-in Tariff (FIT) and microFIT programs. The FIT 5 procurement will have a target of at least 150 MW, and IESO will open the application window by November 1, 2016. The microFIT program will have a procurement target of up to 50 MW in 2017.
- As the FIT and microFIT standard offer programs wind down, implementing an updated and streamlined net metering program, which supports customer choice in generating clean, renewable energy, helps reduce load on the electricity system and enables innovative technologies and customer-utility relationships.

Taking Action to Mitigate the Impact of Electricity Prices on Consumers and Businesses

- Pursuing ways to mitigate the impact of electricity prices on residential and commercial users.
- Continuing to explore additional options for industrial rate mitigation, including assessing the potential to expand the Industrial Conservation Initiative.
- Working with the Ontario Energy Board, as required, to assist in their development of options for a First Nation on-reserve electricity rate.

Supporting the Growth of the Low-Carbon Economy and Reductions in Greenhouse Gas Pollution

- Working with the Minister of the Environment and Climate Change, other colleague ministers, local distribution companies and others, implement key components of the Climate Change Action Plan relating to the Energy portfolio, including:
 - Making Ontario one of the easiest and most affordable jurisdictions in North America for homeowners and businesses to install or retrofit clean-energy systems like solar.
 - Establishing a four-year free overnight electric vehicle-charging program for residential customers starting in 2017.
 - Developing a required Home Energy Rating and Disclosure program by 2019 to provide free energy audits for pre-sale homes.
 - Continuing to work in partnership with Indigenous communities to reduce reliance on fossil fuels for electricity generation.
 - Supporting homeowners in purchasing and installing low-carbon energy technologies, such as solar thermal and solar energy generation systems that reduce reliance on fossil fuels for space and water heating.

Engaging with Indigenous Partners in Energy Planning Decisions and Supporting Economic Development and Reconciliation

- Working within the principles of the recent Political Accord, and upholding commitments to First Nation and Métis communities, to support and participate in new generation and transmission projects, and in conservation and community energy planning initiatives.
- Expanding transmission to remote First Nation communities in Northwestern Ontario to reduce reliance on diesel-powered generation.
- Continuing negotiations with the federal government to secure a fair cost sharing arrangement in support of the remote communities grid connection project.

Driving Efficiencies and Maximizing Return on Investment from Electricity Sector

- Continuing to work with the Ontario Energy Board and Ontario's local distribution companies to ensure they produce savings and drive improvements in performance to the benefit of customers. Consult with affected stakeholders through the LTEP process to allow for greater investment in the distribution system and innovative technology.

In addition to the priority activities above, I ask that you also deliver results for Ontarians by driving progress in the following areas:

- Continue to partner and collaborate with the Province of Québec on key energy issues, including:

- Working together on the existing working group to identify common interests and positions concerning the Energy East project.
- In co-operation with the IESO and Hydro-Québec, further the intention to explore an electricity trade agreement that would provide value to Ontario ratepayers .
- Based on Ontario's pipeline principles, continue to be proactive in promoting Ontario's interests in the Energy East pipeline project and participate in the National Energy Board (NEB) regulatory process.
- Working with the ministers of Infrastructure and Agriculture, Food and Rural Affairs, local distribution companies, municipalities and Indigenous partners, continue to identify opportunities to expand natural gas access and affordability in a manner consistent with the Climate Change Action Plan.
- Following recommendations from the Premier's Advisory Council on Government Assets, continue to move forward with broadening the ownership of Hydro One and proceed with future offerings in a careful, staged and prudent manner.
- Continue to implement government oversight of the refurbishment of nuclear reactors to ensure projects remain on budget and on time to protect ratepayers.